



Department of Banking and Finance

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PRESS RELEASE

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Mortgage Fraud in Georgia Continues to Decline

According to the latest figures released by the Mortgage Asset Research Institute, Inc., ("MARI") in their April 2007 report, mortgage fraud in Georgia continues to decline. In fact, according to the MARI report, Georgia showed the greatest improvement from prior years' rankings of states in terms of the amount of mortgage fraud.

The report indicates that Georgia's 2006 Mortgage Fraud Index (MFI) values, which indicates the amount of mortgage fraud reported in each state, are far below previous levels for all loans and for subprime, in particular. The report also indicates that the actual number of fraud reports on Georgia's 2006 loans has fallen by 32% from the prior year. The report attributes this decline to the aggressive legislation, consumer awareness campaigns and enforcement Georgia and federal officials put in place in recent years.

"We are very pleased that the number of reported incidents of mortgage fraud in Georgia continues to decline - and decline significantly. It is gratifying to know that the hard work and concerted efforts of all the parties combating mortgage fraud in Georgia are paying dividends," stated Commissioner Rob Braswell. "While this MARI report is very encouraging regarding Georgia's progress, we are definitely not satisfied and will continue to work diligently with our partners in 2007 to reduce Georgia's mortgage fraud index even further."

To read the report, go to the following link on MARI's website: <http://www.mari-inc.com/pdfs/mba/MBA9thCaseRpt.pdf>. Page 8 of the report begins a discussion regarding Georgia's turnaround and efforts that have been taken by various agencies and the industry to stop mortgage fraud.

The Department currently supervises approximately 3,300 non-depository mortgage lenders, brokers, and processors. Since the implementation of a risk-based mortgage examination program in 2003, the volume of administrative actions and referrals to law enforcement agencies have increased greatly. During 2006, the Department issued 108 Cease and Desist Orders and 17 Intent to Revoke Orders and made referrals totaling almost \$16 million to other law enforcement agencies as a result of our examinations and investigations.